



A PROFESSIONAL ASSOCIATION OF ATTORNEYS AT LAW

4200 FIRST BANK PLACE
601 SECOND AVENUE SOUTH
MINNEAPOLIS, MINNESOTA 55402-4302
612 339-6321 • FACSIMILE 612 338-0535

2100 MINNESOTA WORLD TRADE CENTER
30 EAST SEVENTH STREET
SAINT PAUL, MINNESOTA 55101-4901
612 222-6321 • FACSIMILE 612 222-8905

Thomas J. Doyle

October 21, 1994

19028,

Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Secretary:

I have enclosed two originally executed counterparts and one copy of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

This document is a lease (with attachments), a primary document, dated April 1, 1994 (NorRail, Inc. Master Lease Agreement No. 1566, with Notice of Assignment and Amendment, Equipment Schedule No. 1 and Equipment Schedule No. 2.)

The names and addresses of the parties to the documents are as follows:

Lessor:	NorRail, Inc. 308 12th Avenue South Buffalo, Minnesota 55313
Lessee:	Baroid Drilling Fluids, Inc. 3000 North Sam Houston Parkway East P. O. Box 1675 Houston, Texas 77251
Assignee/Purchaser:	FBS Business Finance Corporation 601 Second Avenue South (MPFP0904) Minneapolis, Minnesota 55402-4302

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of Service to Our Clients*

Counterparts - Mary A. Oster

Page Two
Secretary, Interstate Commerce Commission
October __, 1994

A description of the equipment covered by the document follows:

<u>Type of Equipment</u>	<u>Quantity</u>	<u>AAR Designation</u>	<u>Identifying Marks</u>
Pressure differential tank cars manufactured by GATX or Union Tank Car, 2800 cubic foot capacity	39		See attachment A
Pressure differential tank cars manufactured by Union Tank Car, 3800 cubic foot capacity	2		BDNX 386 (Previously UTLX 80386) BDNX 388 (Previously UTLX 80388)

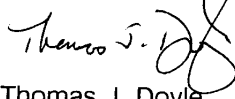
The fee of \$ 21.00 is enclosed is for recordation of the above-referenced lease. Please return two originals of the lease, stamped to evidence recording, to the individual who tenders the lease for filing.

A short summary of the document to appear in the index follows:

Master Lease Agreement dated April 1, 1994 between NorRail, Inc., 308 12th Avenue South, Buffalo, Minnesota 55313 as lessor, and Baroid Drilling Fluids, Inc., 3000 North Sam Houston Parkway East, P. O. Box 1675, Houston, Texas 77251 as lessee, covering 39 X 2800 cubic foot pressure differential tank cars and 2 X 3800 cubic foot pressure differential tank cars.

I have compared the enclosed copy of the Lease Agreement with the original of the Lease Agreement and found the copy to be complete and identical in all respects to the original document. I declare under penalty of perjury that the foregoing is true and correct.

Very truly yours,



Thomas J. Doyle
4200 First Bank Place, 601 Second Avenue South
Minneapolis, Minnesota 55402-4302

ATTACHMENT A

PRIOR CAR NUMBERS	NEW CAR NUMBERS
WSSX1001	BDNX1001
WSSX1002	BDNX1002
WSSX1005	BDNX1005
WSSX1007	BDNX1007
WSSX1008	BDNX1008
WSSX1010	BDNX1010
WSSX1012	BDNX1012
WSSX1016	BDNX1016
WSSX1022	BDNX1022
WSSX1026	BDNX1026

PRIOR CAR NUMBERS	NEW CAR NUMBERS
UTLX80243	UTLX80243
UTLX80246	UTLX80246

PRIOR CAR NUMBERS	NEW CAR NUMBERS
BN495022	BDNX300
BN495002	BDNX301
BN495032	BDNX302
BN495040	BDNX303
BN495037	BDNX304
BN495015	BDNX305
BN495004	BDNX306
BN495034	BDNX307
BN495030	BDNX308
BN495036	BDNX309
BN495016	BDNX310 <i>NAO</i>
BN495003	BDNX311 <i>NAO</i>
BN495041	BDNX312
BN495021	BDNX313
BN495005	BDNX314
BN495006	BDNX315
BN495028	BDNX316 <i>NAO</i>
BN495014	BDNX317 <i>NAO</i>
BN495019	BDNX318
BN495029	BDNX319

PRIOR CAR NUMBERS	NEW CAR NUMBERS
WSSX1004	BDNX1004
WSSX1009	BDNX1009
WSSX1015	BDNX1015
WSSX1018	BDNX1018
WSSX1020	BDNX1020

PRIOR CAR NUMBERS	NEW CAR NUMBERS
BN 495000	BDNX320
BN 495011	BDNX321

PRIOR CAR NUMBERS	NEW CAR NUMBERS
PPGX 12921	BDNX323
PPGX 12926	BDNX324
PPGX 12952	BDNX325
PPGX 12968	BDNX326

NorRail, Inc.

Master Lease Agreement

19028

This Lease Agreement is made the 1st day of April, 1994, between NorRail, Inc. with an office at 308 12th Avenue South, Buffalo, Minnesota 55313 ("Lessor") and Baroid Drilling Fluids, Inc., a wholly owned subsidiary of Dresser Industries, Inc., with an office at 3000 North Sam Houston Parkway East, P.O. Box 1675, Houston, TX 77251 ("Lessee"). The parties agree as follows:

1. LEASE

Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor, the equipment ("Equipment") described in Equipment Schedule(s) referencing this Lease Agreement. Each Equipment Schedule shall constitute a separate lease. In the event of a conflict between the terms and conditions of this Lease Agreement and the terms and conditions of any Equipment Schedule or any amendment, addendum or rider thereto, the terms and conditions of such Equipment Schedule, amendment, addendum or rider shall prevail. Any reference to "Lease" shall mean this Lease Agreement, the Equipment Schedule(s) and any amendments, addenda or riders thereto.

2. DEFINITIONS

- a. "Delivery Date" means the date determined in accordance with the applicable Equipment Schedule.
- b. "Commencement Date" means, as to all Equipment designated on any Equipment Schedule, where the Delivery Date for the Item of Equipment (an Item of Equipment shall mean a quantity of one as described on such Equipment Schedule) last to be delivered falls on the first day of the month, that date, or in any other case, the first day of the month following the month in which the Item of Equipment last to be delivered is delivered.
- c. "Daily Rental" means 1/30th of the amount set forth as the Monthly Rental for each Item of Equipment on the applicable Equipment Schedule.

3. TERM OF LEASE

The term of this Lease as to each Item of Equipment designated on any Equipment Schedule shall commence on the Delivery Date for such Item of Equipment and shall continue for an initial period ending that number of months from the Commencement Date as is specified on the applicable Equipment Schedule ("Initial Term"). The term of this Lease for all such Equipment shall be automatically extended for successive three-month periods until terminated by either party giving to the other not less than 120 days prior written notice of termination. Any such termination shall be effective only on the last day of the Initial Term or the last day of any such successive period.

4. RENTAL

The monthly rental ("Monthly Rental") for each Item of Equipment payable hereunder is as set forth in the applicable Equipment Schedule. Rental for each Item of Equipment shall begin to accrue on the Delivery Date of such Item of Equipment and shall be due and payable by Lessee in advance on the first day of each month whether or not Lessee has received any notice that such payment is due. If the Delivery Date does not fall on the first day of the month, the rental for that period of time from the Delivery Date until the first day of the succeeding month shall be an amount equal to the Daily Rental multiplied by the number of days from (and including) the Delivery Date to (but not including) the first day of the succeeding month and shall be due and payable on the Delivery Date.

5. TAXES

In addition to the Monthly Rental set forth in the Equipment Schedule(s), Lessee shall pay to Lessor an amount equal to all taxes paid, payable or required to be collected by Lessor, however designated, which are levied or based on the rental, on the Lease or on the Equipment or its purchase, sale, ownership, delivery, possession, use, lease, operation, control or value (including, without limitation, state and local privilege or excise taxes based on gross revenue), any penalties or interest in connection therewith not arising from negligence on the part of Lessor or taxes or amounts in lieu thereof paid or payable by Lessor in respect of the foregoing, but excluding taxes on Lessor's net income.

At Lessor's option, Lessee shall file timely all necessary personal property returns or declarations and pay all personal property taxes levied on or assessed against the Equipment during the Initial Term of the applicable Equipment Schedule, and all renewals or extensions thereof, before such taxes become delinquent, without any proration whatsoever, Lessee shall promptly (a) provide evidence satisfactory to Lessor of the timely filing of the returns or declarations and the payment of such taxes, or (b) notify Lessor, in sufficient time for Lessor to file same timely, when by law or local custom Lessee cannot file same, and promptly pay the amount of such taxes to Lessor.

Whenever any payment is not made by Lessee when due hereunder, Lessee agrees to pay Lessor, not later than one month thereafter, an amount calculated at the rate of 10 cents per one dollar of each such delayed payment as an administrative fee to offset Lessor's collection costs, but only to the extent allowed by law.

6. INSPECTION, DELIVERY, USE

- a. Prior to delivery of an Item of Equipment to Lessee, Lessor shall arrange for a mutual inspection of each Item of Equipment by representatives of the Lessor and Lessee. The purpose of this inspection shall be to ascertain that the Equipment meets or exceeds the standards in effect under the Interchange Rules of the Association of American Railroads (AAR) and/or the applicable rules of any governmental agency or other organization having jurisdiction.
- b. Lessor shall have the sole right and option to make all the arrangements for (i) the Delivery of each Item of Equipment to the Equipment Location stated in the applicable Equipment Schedule, and (ii) the Delivery of each Item of Equipment from Lessee to a location of Lessor's choice within the continental United States upon the termination of the applicable Equipment Schedule (by expiration or otherwise) as to such Item of Equipment.
- c. All Delivery (including insurance) costs with respect to the Equipment, both on delivery to the Equipment location and redelivery to a location of Lessor's choice within the continental United States shall be paid by Lessee.

- d. Lessee shall have the uninterrupted right to enjoy the quiet possession and exclusive use of the Equipment while the applicable Equipment Schedule is in force, without limitation as to time, provided Lessee shall not be in default hereunder.

7. MAINTENANCE, MODIFICATIONS

- a. Lessee shall, during the term of this Lease, be responsible for all maintenance of the Equipment, routine or otherwise. Any change to this obligation of Lessee must be in the form of an amendment signed by both parties and attached hereto.
- b. Any equipment, maintenance parts, or other items not specified in the Equipment Schedule(s) which are used on or in connection with the Equipment must meet the specifications of the manufacturer and shall be acquired by Lessee at its own expense.
- c. After prior notice to Lessor, Lessee may, at its own expense, make modifications or add attachments to the Equipment, provided such modifications or attachments do not interfere with the normal and satisfactory operation or maintenance of the Equipment. All such modifications or attachments shall be removed by Lessee, unless such modifications enhance the value or marketability of the Equipment as agreed to by Lessor, and the Equipment restored, at Lessee's expense, to its original condition, reasonable wear and tear only excepted, no later than the termination of this Lease as to the applicable Item of Equipment. All modifications and attachments not removed upon termination of the Lease shall become the property of Lessor.

8. RETURN OF EQUIPMENT

At the termination of this Lease as to the applicable Equipment Schedule (by expiration or otherwise) Lessee shall, at its expense, promptly return the Equipment to Lessor in the same operating order, repair, condition and appearance as on the Delivery Date, subject only to reasonable wear and tear and the provisions of 6(b) and 6(c). Prior to return of an Item of Equipment to Lessor, Lessee shall, at the earliest possible time, arrange for a mutual inspection of each Item of Equipment, at a single location agreeable to Lessor, by representatives of the Lessor and Lessee. The purpose of this inspection shall be to ascertain that the Equipment meets or exceeds the standards in effect under the Interchange Rules of the Association of American Railroads (AAR) and/or the applicable rules of any governmental agency or other organization having jurisdiction.

9. OWNERSHIP AND INSPECTION

- a. This is a contract of lease only and Lessee shall have no equity or property interest in the Equipment other than the rights acquired as a Lessee hereunder or by the exercise of the purchase option.

- b. Lessee shall keep the Equipment free and clear of all liens and encumbrances except liens or encumbrances arising through the actions or omissions of Lessor. Lessee shall not assign or otherwise encumber this Lease or any of its rights hereunder or sublease the Equipment, without the prior written consent of Lessor. However, no consent by Lessor and its assigns shall be required if ownership, control, or power to vote less than fifty percent (50%) of the outstanding shares of any class of voting securities of Lessee is transferred by the current holders, in one or more transactions. Upon any permitted assignment or sublease, Lessee shall execute and deliver to Lessor, or any assignee of Lessor, at Lessee's expense, such documentation as Lessor or such assignee may require, including but not limited to documentation to evidence and put third parties on notice of Lessor's or its assignee's interest in the Equipment. No permitted assignment or sublease shall relieve Lessee of any of its obligations hereunder.
- c. Lessor or its agents shall have free access to the Equipment at all reasonable times upon prior written notice to Lessee for the purpose of inspection and for any other purpose contemplated in this Lease. Lessee shall make Lessee's log and maintenance records pertaining to the Equipment available during any such inspection.
- d. Lessee shall immediately notify Lessor of all details concerning any damage to, or loss of, the Equipment arising out of any event or occurrence whatsoever, including, but not limited to, the alleged or apparent improper manufacture, functioning or operation of the Equipment.

10. WARRANTIES AND DISCLAIMER OF WARRANTIES

- a. Lessee represents that, as of the Delivery Date set forth in the applicable Equipment Schedule, it shall have (i) thoroughly inspected the Equipment, (ii) determined for itself that all Items of Equipment are of a size, design, capacity and manufacture selected by it, and (iii) satisfied itself that the Equipment is suitable for Lessee's purposes. Lessee authorizes Lessor to insert in each Equipment Schedule the serial numbers and other identifying data of the Equipment.
- b. Lessee hereby covenants, represents and warrants with respect to this Lease and each Equipment Schedule executed hereunder that:
 - (i) The execution, delivery and performance thereof by Lessee have been duly authorized by all necessary corporate action;
 - (ii) The individual executing such was duly authorized to do so;
 - (iii) The Lease and each Equipment Schedule constitute legal, valid and binding agreements of Lessee enforceable in accordance with their respective terms; and
 - (iv) The Equipment is personal property and when subjected to use by Lessee will not be or become fixtures under applicable law.

- c. LESSOR SUPPLIES THE EQUIPMENT AS IS AND NOT BEING THE MANUFACTURER OF THE EQUIPMENT, THE MANUFACTURER'S AGENT OR THE SUPPLIER'S AGENT, MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE EQUIPMENT'S MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DESIGN, CONDITION, QUALITY, CAPACITY, MATERIAL, WORKMANSHIP, CONFORMITY TO THE PROVISIONS AND SPECIFICATIONS OF ANY PURCHASE ORDER(S) RELATING THERETO OR AS TO PATENT INFRINGEMENT OR THE LIKE, it being agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Lessee agrees to look solely to the manufacturer or to the supplier of the Equipment for any and all warranty claims and any and all warranties made by the manufacturer or the supplier to Lessor are hereby assigned to Lessee, to the extent permitted by the manufacturer or the supplier, for the term of the applicable Equipment Schedule. Lessee agrees that Lessor shall not be responsible for the maintenance, operation or service of the Equipment or for delay or inadequacy of any or all of the foregoing. Neither Lessor nor any Assignee shall be responsible for any direct, indirect, special or consequential loss or damage resulting from any modifications in the Equipment (prior to or after commencement of this Lease) which were designed or approved by Lessee. Otherwise Lessor shall not be responsible for any other direct, indirect, special or consequential loss or damage resulting from the delivery, operation or use of the Equipment or otherwise (including strict liability in tort), except that the original Lessor (NorRail, Inc.), but not any Assignee, shall be liable for any loss or damage due to the original Lessor's gross negligence or willful misconduct. Lessee will defend, indemnify and hold Lessor harmless on an after-tax basis against any and all claims, demands and liabilities arising out of or in connection with the design, manufacture, possession or operation of the Equipment, including strict liability in tort excluding all claims, demands or liabilities resulting from the gross negligence or willful misconduct of Lessor.

11. RISK OF LOSS

- a. Until the Equipment is returned to Lessor as provided in this Lease, Lessee relieves Lessor of responsibility for all risks of physical damage to or loss or destruction of the Equipment howsoever caused. During the term of this Lease as to any Equipment Schedule, Lessee shall, at its expense, keep in effect all risk and public liability insurance policies covering the Equipment designated in such Equipment Schedule; however Lessee shall be entitled to self-insure its exposure up to \$500,000.00. The all risk insurance policy shall be for an amount not less than the replacement cost of the Equipment. The public liability insurance policy shall be in such amount as is reasonably acceptable to Lessor. Lessor, its successors and assigns, shall be named as additional insureds and/or loss payees on such policies to the extent of liability assumed by Lessee under this Lease, which policies shall be written by one or more insurance companies of recognized responsibility reasonably acceptable to Lessor. Evidence of such insurance coverage shall be furnished to Lessor not later than the Delivery Date set forth in the applicable Equipment Schedule and from time to time thereafter as Lessor may demand. Such policies shall provide that no less than ten days' written notice shall be given Lessor prior to cancellation of such policies for any reason.

- b. If any Item of Equipment is rendered unusable as a result of any physical damage to, or loss or destruction of, the Equipment, or title thereto shall be taken by any governmental authority under power of eminent domain or otherwise, Lessee shall give to Lessor immediate notice thereof and this Lease shall continue in full force and effect without any abatement of rental. Lessee shall determine, within fifteen days after the date of occurrence of any such damage or destruction, whether such Item of Equipment can be repaired. In the event Lessee determines that the Item of Equipment cannot be repaired or such Item of Equipment was lost, destroyed or title thereto taken, Lessee shall promptly replace such Item of Equipment with equivalent equipment and convey title to such replacement equipment to Lessor free and clear of all liens, claims, equities and encumbrances of every kind or nature whatsoever, and this Lease shall continue in full force and effect as though such damage, loss, destruction or taking of title had not occurred, except that the replacement equipment shall become Equipment for purposes of this Lease in lieu of the replaced Equipment; or at Lessee's option it may exercise the purchase option set forth in Exhibit A by determining the appropriate number of months paid and applying the corresponding buyout figure. Replacement equipment shall be subject to inspection and acceptance by Lessor. In the event Lessee determines that such Item of Equipment can be repaired, Lessee shall cause such Item of Equipment to be promptly repaired. All proceeds of insurance received by Lessor or Lessee under the all risk insurance policy referred to in the preceding paragraph of this Section shall be applied toward the cost of such repair or replacement.

12. EVENTS OF DEFAULT AND REMEDIES

The occurrence of any one of the following shall constitute an Event of Default hereunder:

- a. Lessee fails to pay any installment of rent on or before the fifth day following the date when the same becomes due and payable;
- b. Lessee attempts to remove, sell, transfer, encumber, sublet or part with possession of any Item of Equipment, except as expressly permitted herein;
- c. Lessee fails to observe or perform any of the other obligations required to be observed or performed by Lessee hereunder and such failure shall continue uncured for ten days after written notice thereto to Lessee by Lessor;
- d. Any warranty, representation or statement made or furnished to Lessor by or on behalf of Lessee proves to have been false in any material respect when made or furnished;
- e. Lessee ceases doing business as a going concern, makes an assignment for the benefit of creditors, admits in writing its inability to pay its debts as they become due, is generally not paying its debts as they mature, files a voluntary petition in bankruptcy, files a petition seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar arrangement under any present or future statute, law or regulation or files an answer admitting the material allegations of a petition filed against it in any such proceeding, consents to or acquiesces in the appointment of a custodian, trustee, receiver or liquidator of it or all of any substantial part of its assets or properties, or if it or its shareholders shall take any action looking to its dissolution or liquidation, or if any order for relief is entered against Lessee under the federal bankruptcy laws;

- f. Within thirty days after the commencement of any proceedings against Lessee seeking reorganization, arrangement, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, such proceedings shall not have been dismissed, or if within thirty days after the appointment without Lessee's consent or acquiescence of any custodian, trustee, receiver or liquidator of it or of all or any substantial part of its assets and properties, such appointment shall be vacated; or
- g. The default by Lessee under any other Equipment Schedule or other agreement between Lessee and Lessor or any assignee of Lessor and such default shall continue uncured for ten days after written notice thereto to Lessee by Lessor.

Upon the occurrence of an Event of Default, except as set forth in 12(c) and 12(g) above, Lessor may at its option do any or all of the following: (a) by notice to Lessee cancel or terminate this Lease as to any or all Equipment Schedules; (b) whether or not this Lease is canceled or terminated as to any or all Equipment Schedules, take possession of any or all of the Equipment listed on any or all Equipment Schedules, wherever situated, and for such purpose, enter upon any premises without liability for so doing (except that Lessor shall be liable for damages resulting from the fault or negligence of Lessor) or Lessor may cause Lessee, and Lessee hereby agrees, to return the Equipment to Lessor as provided in this Lease; (c) recover from Lessee, as liquidated damages for loss of a bargain and not as a penalty, an amount equal to the present value of the residual value of the Equipment plus all monies to be paid by Lessee during the remaining Initial Term or any successive period then in effect, discounted at the rate of 6%, which payment shall become immediately due and payable; or (d) sell, dispose of, hold, use or lease any Equipment as Lessor in its sole discretion may determine (and Lessor shall not be obligated to give preference to the sale, lease or other disposition of the Equipment owned or leased by Lessor). The subsequent acceptance of payments hereunder by Lessor shall not be deemed a waiver of any prior existing breach by Lessee regardless of Lessor's knowledge of such prior existing breach at the time of acceptance of such payments. In any event, Lessee shall, without further demand, pay to Lessor an amount equal to all sums due and payable for all periods up to and including the date on which Lessor has declared this Lease to be in default. In the event of a default as described in 12(c), Lessor shall be entitled to recover all damages occasioned by such default.

In the event Lessor takes possession of the Equipment, Lessor shall give Lessee credit for any sums received by Lessor from the sale of the Equipment or an amount equal to the present value of the reletting of the Equipment computed at the implicit rate of the new lease, after deduction of the expenses of sale or reletting. Any such credit to Lessee shall be applied against all monies owed to Lessor as defined in the preceding paragraph. Lessee agrees that Lessor shall have no obligation to sell or relet the Equipment. Lessee shall in any event remain fully liable for reasonable damages as provided by law and for all costs and expenses incurred by Lessor on account of such default including, but not limited to, all court costs and reasonable attorneys' fees of at least 20% of the total unpaid rentals for the balance of the term of this Lease. Lessee hereby agrees that, in any event, it will be liable for any deficiency after any sale, lease or other disposition by Lessor. The rights afforded Lessor hereunder shall not be deemed to be exclusive, but shall be in addition to any rights or remedies provided by law.

If, upon the termination of the applicable Equipment Schedule as to any Item of Equipment, Lessee fails or refuses to return and deliver possession of such Item of Equipment to Lessor on the prescribed date (subject to the terms and conditions set forth in 8), in addition to all other rights and remedies available to Lessor, Lessee shall be liable to Lessor for all Monthly Rental on such Item of Equipment until its return and direct damages Lessor may suffer by reason of being unable to deliver such Item of Equipment to another party.

13. NET LEASE

Except as otherwise specifically provided in this Lease, it is understood and agreed that each Equipment Schedule constitutes a net lease, and that, as between Lessor and Lessee, Lessee shall be responsible for all costs and expenses of every nature whatsoever arising out of or in connection with or related to this Lease or the Equipment. Lessee hereby agrees that in the event that Lessee fails to pay or perform any obligation under this Lease, Lessor may, at its option, pay or perform said obligation and any payment made or expense incurred by Lessor in connection therewith shall become additional rent which shall be due and payable by Lessee upon demand. All amounts payable by Lessee under any Equipment Schedule shall be absolute and unconditional and shall not be subject to any abatement, reduction, offset, defense, counterclaim, interruption, deferment or recoupment for any reason whatsoever, and such amounts shall be and continue to be payable in all events.

14. ASSIGNMENT

Lessee agrees that Lessor may transfer or assign all or any part of Lessor's right, title and interest in, under or to the Equipment and this Lease or any Equipment Schedule, and any or all sums due or to become due pursuant to any of the above, to any third party ("Assignee") for any reason. Lessee agrees that upon receipt of written notice from Lessor of such assignment, Lessee shall perform all of its obligations hereunder for the benefit of Assignee and, if so directed, shall pay all sums due or to become due hereunder directly to Assignee or to any other party designated by Assignee. Lessee hereby covenants, represents and warrants as follows and agrees that Assignee shall be entitled to rely on and shall be considered a third party beneficiary of the following covenants, representations and warranties: (a) Lessee's obligations to Assignee hereunder are absolute and unconditional and are not subject to any abatement, reduction, offset, defense, counterclaim, interruption, deferment or recoupment available to Lessee for any reason whatsoever including, but not limited to, operation of law, defect in the Equipment, failure of Lessor to perform any of its obligations hereunder or for any other cause or reason whatsoever, whether similar or dissimilar to the foregoing; (b) Lessee shall not look to Assignee to perform any of Lessor's obligations hereunder; (c) Lessee will not amend or modify this Lease without the prior written consent of Assignee; and (d) Lessee will send a copy to Assignee of each notice which Lessee sends to Lessor.

Upon receipt of notice of such transfer or assignment, Lessee agrees to promptly execute and deliver to Lessor such documentation as Assignee may require to secure and/or complete such transfer or assignment, including, but not limited to, the following: (a) an acknowledgement of, or consent to, the assignment which may require Lessee to make certain representations or reaffirmations as to some of the basic terms and covenants contained in this Lease; (b) a certified copy of resolution of Lessee; (c) an opinion of counsel for Lessee with respect to the representations and warranties set forth in Section 10(b) above; and (d) a Certificate of Delivery and Acceptance. Nothing contained in such documentation required by Assignee shall be in derogation of any of the rights granted to Lessee hereunder. Notwithstanding such assignment, Lessor shall not be relieved of any of its obligations hereunder, and the rights of Lessee hereunder shall not be impaired.

15. MISCELLANEOUS

- a. Neither this Lease, any Equipment Schedule nor any consent or approval provided for herein shall be binding upon Lessor unless signed on its behalf by duly authorized officers at its home office. This Lease shall be deemed to have been made in the State of Minnesota and shall be governed in all respects by the laws of such State. Lessee hereby consents: (i) to the jurisdiction of the Minnesota District Court, Fourth Judicial District and/or the United States District Court, District of Minnesota, exclusively, with respect to all actions commenced by it with respect to any and all matters arising out of or in connection with this Lease or any other instrument or document executed or delivered in connection therewith, and that venue for the purpose of all such suits shall be Hennepin County, State of Minnesota only; and (ii) that any action commenced against Lessee by Lessor under this Lease or any other instrument or document executed or delivered in connection therewith any, at the option of Lessor, shall be commenced in the Minnesota District Court, Fourth Judicial District and/or the United States District Court, District of Minnesota. Nothing contained herein is intended to preclude Lessor from commencing any action hereunder in any court having jurisdiction thereof. Service of process in any such action shall be sufficient if served by certified mail, return receipt requested, to the address of the parties set forth herein. To the extent permitted by law, Lessee waives trial by jury in any action by or against Lessor hereunder.
- b. This Lease and each Equipment Schedule constitute the entire agreement and understanding of the parties with respect to the lease of the Equipment listed on each Equipment Schedule (notwithstanding any contrary provision contained in any instrument submitted by Lessee), and supersede any or all prior agreements and understandings related to the subject matter hereof, including specifically but without limitation Master Lease Agreement No. 1514 dated September 1, 1992 between Baroid Drilling Fluids, Inc., a wholly owned subsidiary of Baroid Corporation, as Lessee, and NorRail, Inc. as Lessor (and Lessee herein specifically agrees that it has no further rights, whether purchase option rights or otherwise, under that said Master Lease Agreement No. 1514 upon execution of this superseding Master Lease Agreement).
- c. All notices hereunder shall be in writing and shall be delivered in person or by courier service or sent by registered or certified mail, postage prepaid, to the address of the other party as set forth herein or to such other address as such party shall have designated by proper notice.
- d. This Lease shall be binding upon and inure to the benefit of Lessor and Lessee and their respective successors and assigns (including any subsequent assignee of an Assignee).
- e. No representation or statement made by any representatives of either party not contained herein shall be binding upon such party. No provisions of this Lease or any Equipment Schedule which may be deemed unenforceable shall in any way invalidate any other provision or provisions hereof, all of which shall remain in full force and effect. Neither any failure nor any delay on the part of either party in exercising any of its rights hereunder shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right hereunder.

- f. No waiver of any of the terms and conditions hereof shall be effective unless in writing and signed by the party against whom such waiver is sought to be enforced. Any waiver of the terms hereof shall be effective only in the specific instance and for the specific purpose given.
- g. Lessor is hereby authorized by Lessee to cause this Lease or other instruments, including Uniform Commercial Code financing statements and any documentation required by the Interstate Commerce Commission (ICC) or any other regulatory body or agency having jurisdiction, to be filed or recorded for the purposes of evidencing and putting third parties on notice of Lessor's or Assignee's interest in the Equipment. Lessee shall execute all documents requested by Lessor or any Assignee to evidence such interest. In the event for any reason whatsoever Lessee is determined to have an interest in the Equipment other than a purely leasehold interest for the term of this Lease, Lessee agrees to and does hereby expressly subordinate such interest to the interests of Lessor in the Equipment and to the security interest in the Equipment for any Assignee whether such security interest is presently in existence or hereafter acquired, and further grants a security interest in the Equipment to Lessor. Lessee shall execute all documents requested by Lessor or any Assignee to evidence such subordination, and Lessee agrees that Lessor or Assignee, as applicable, may execute on behalf of Lessee, as its attorney-in-fact, such documents and instruments as reasonably deemed necessary by Lessor or Assignee to evidence the subordination referred to in the immediately preceding sentence.
- h. Financial and Other Reports. During the term of this Lease, Lessee shall furnish Lessor, if requested by Lessor, with annual financial statements within one hundred twenty (120) days after the end of Lessee's fiscal year, and Lessee shall provide Lessor such other financial information as Lessor may from time to time request, including, without limitation, any reports filed with federal or state regulatory agencies. Lessee hereby warrants and represents that all financial statements previously delivered or to be delivered to Lessor by or on behalf of Lessee, and any statements and data submitted in writing to Lessor in connection with this Lease, are or will be true and correct and did or will fairly present the financial condition of Lessee for the periods involved.
- i. Lessee's covenants, representations and warranties shall survive the expiration or other termination of this Lease.
- j. If Equipment delivered pursuant to any Equipment Schedule contains any attachments not specified therein, Lessor reserves the right to remove any such attachments at any reasonable time thereafter.
- k. This Lease and any Equipment Schedules may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. To the extent that this Lease constitutes chattel paper, no security interest in this Lease may be created through the transfer of possession of any counterpart other than an executed counterpart or a photostatic copy of an executed counterpart of this Lease together with an executed Equipment Schedule marked "Duplicate Original No. 1 of 3."

LESSOR:

NorRail, Inc.

By: Russell W. Adams

Title: Vice President Sales

LESSEE:

Baroid Drilling Fluids, Inc.

By: Sever

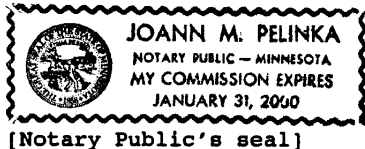
Title: President



NorRail's Acknowledgement

STATE OF MINNESOTA)
) ss.
COUNTY OF WRIGHT)

On this 21st day of APRIL, 1994, before me, personally appeared Russell S. Hoams (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the VICE PRESIDENT SALES (title of office) of NorRail, Inc., a Minnesota corporation, that the seal affixed to the foregoing Master Lease Agreement is the corporate seal of said corporation (or if no seal is affixed, that the corporation has no seal), that said Master Lease Agreement was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that (s)he acknowledged that the execution of the foregoing Master Lease Agreement was the free act and deed of said corporation.



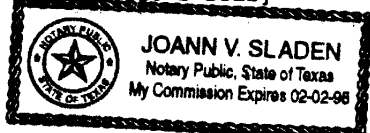
Joann M. Pelinka
Notary Public
My Commission Expires: 1/31/2000

Lessee's Acknowledgement

STATE OF TEXAS)
) ss.
COUNTY OF HARRIS)

On this 5th day of May, 1994, before me, personally appeared Robert J. Menerey (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the President (title of office) of Baroid Drilling Fluids, Inc., a Delaware corporation, that the seal affixed to the foregoing Master Lease Agreement is the corporate seal of said corporation (or if no seal is affixed, that the corporation has no seal), that said Master Lease Agreement was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that (s)he acknowledged that the execution of the foregoing Master Lease Agreement was the free act and deed of said corporation.

[Notary Public's seal]



Joann V. Sladen
Notary Public
My Commission Expires: 2/2/98

NorRail, Inc.

EXHIBIT A TO
EQUIPMENT SCHEDULE(S) NO(S). 1 TO
LEASE AGREEMENT DATED April 1 , 1994 ("LEASE")

BETWEEN NorRail, Inc. ("LESSOR")
AND Baroid Drilling Fluids, Inc. ("LESSEE")

1. Baroid marks will be stenciled on the cars.
2. This lease transaction is subject to equipment availability, credit approval and acceptance by Lessor's Executive Committee.
3. The lease would be structured as an off balance sheet lease with the tax benefits for the account of the Lessor.
4. The purchase option would be FMV (fair market value) or residual value on a five year lease of \$6,000 which ever is less at the end of the sixty month lease term.
5. Twenty three of the twenty seven railcars you currently have on lease with NorRail would be modified with the bolstered support system for the pads. The modification would take place at Texas Tank Car provided they are capable of meeting our timetable at a satisfactory price. The cost of the per car modification used for the calculation of the new lease rate is \$4,380.00 per car.
6. The cost of \$2,400.00 to modify car no. BDNX320 is included in the new lease rate of \$400.00 per car.
7. The cost of replacing the pads currently in the existing cars under lease with new pads is included in the new lease rate also. I am estimating needing to replace the pads on twenty of the cars. Pad price to use on material for this quote is \$1370. per car for full pad replacement. Baroid has the option to purchase its own pads for installation purposes.
8. Included in the new lease rate is an estimate of \$7,500.00 for labor to remove cement from the cars. (Ten cars at \$750.00 per car). This amount can be applied towards the recent car pad modification discussed which is to eliminate extensive cleaning behind the sides of the hopper cars.

9. NorRail will reimburse Baroid Drilling Fluids for the \$7,853.00 invoice to handle work done on car number BDNX309. We would still need Jim Green to explain the reason for both of us paying for work to be done on this car. As we have discussed, NorRail paid almost \$5,000.00 for work done on car number BDNX309.
10. The up to twenty additional railcars will be Union Tank Car pressure differential railcars identical to the two cars you are running in service for testing purposes.
11. The Union Tank Cars will be made available at the Union Tank Car shop at Marion, Ohio, or another Union Tank Car shop closer to Baroid's Nevada mine, if possible. Baroid will take possession of the cars at Evanston, WY. If cars are taken from the Sioux Falls, SD shop freight arrangements for moving the empty equipment will be determined at that time.
12. The up to twenty additional cars will be pressure tested and stenciled with the new test dates. The cars will also be restenciled with the BDNX marks prior to being made available to you at the Union Tank Car Shop at Marion, Ohio, or another Union Tank Car shop closer to Baroid's Nevada mine, if possible. Cars are to be pressure tested at Evanston, WY and restenciled at that time. Baroid will take possession of the cars at Evanston. If cars are taken from the Sioux Falls, SD shop, freight arrangements for moving the empty equipment will be determined at that time.
13. If any of the estimated costs in Item 5, Item 6, Item 7, or Item 8 change, the monthly lease rate would be adjusted to reflect the adjusted cost.
14. NorRail will inspect the Union Tank cars prior to making the cars available to Baroid Drilling Fluids to insure the cars meet all current AAR and FRA interchange requirements. Specifications and minimum requirements for the condition of the cars prior to acceptance by Baroid Drilling Fluids will be detailed in the Equipment Schedule and those specifications and minimum requirements will be structured to avoid any major requirements for repairs other than repairs necessitated by normal wear and tear for the term of the lease. The monthly lease rate will be adjusted to reflect any additional costs incurred to insure all cars meeting these specifications. Cars not meeting Baroids/NorRail specifications will be rejected and appropriate substitute cars will be considered.

LESSOR:

NorRail, Inc.

By: Russell J. Adams

Title: VICE PRESIDENT SALES

Date: APRIL 21, 1994

LESSEE:

Baroid Drilling Fluids, Inc.

By: Jim Green

Title: President

Date: May 5, 1994



NorRail, Inc.

**EXHIBIT B TO
EQUIPMENT SCHEDULE(S) NO(S). 1 TO
LEASE AGREEMENT DATED April 1, 1994 ("Lease")**

**BETWEEN NorRail, Inc. ("Lessor")
AND Baroid Drilling Fluids, Inc. ("Lessee")**

<u>End of Month #</u>	<u>Payoff and Ownership Amount</u>	<u>End of Month #</u>	<u>Payoff and Ownership Amount</u>
1	\$ 23,844.75	31	\$ 15,716.68
2	\$ 23,611.72	32	\$ 15,409.59
3	\$ 23,374.22	33	\$ 15,100.05
4	\$ 23,134.57	34	\$ 14,789.37
5	\$ 22,892.77	35	\$ 14,476.21
6	\$ 22,646.45	36	\$ 14,161.89
7	\$ 22,397.94	37	\$ 13,845.08
8	\$ 22,147.24	38	\$ 13,525.78
9	\$ 21,894.32	39	\$ 13,205.29
10	\$ 21,638.56	40	\$ 12,882.29
11	\$ 21,380.57	41	\$ 12,556.76
12	\$ 21,119.71	42	\$ 12,230.02
13	\$ 20,856.59	43	\$ 11,900.74
14	\$ 20,591.22	44	\$ 11,568.91
15	\$ 20,322.94	45	\$ 11,234.52
16	\$ 20,052.38	46	\$ 10,899.45
17	\$ 19,779.52	47	\$ 10,561.81
18	\$ 19,503.73	48	\$ 10,223.48
19	\$ 19,225.62	49	\$ 9,882.56
20	\$ 18,945.18	50	\$ 9,539.04
21	\$ 18,662.41	51	\$ 9,194.80
22	\$ 18,377.79	52	\$ 8,847.94
23	\$ 18,090.82	53	\$ 8,498.47
24	\$ 17,801.99	54	\$ 8,148.24
25	\$ 17,510.79	55	\$ 7,795.38
26	\$ 17,217.20	56	\$ 7,439.87
27	\$ 16,921.72	57	\$ 7,081.69
28	\$ 16,623.83	58	\$ 6,723.07
29	\$ 16,323.54	59	\$ 6,361.76
30	\$ 16,021.33	60	\$ 6,000.00



NorRail, Inc.
Buying, Selling, Leasing
Railcars / Locomotives

308 12th Avenue South, Buffalo, Minnesota 55313 • Phone: (612) 557-0215 • Fax: (612) 682-2452

October 7, 1994

Mr. David Lipka
Baroid Drilling Fluids, Inc.
3000 North Sam Houston Parkway East
P.O. Box 1675
Houston, TX 77251

Re The Master Lease Agreement (Lease No. 1566) dated as of April 1, 1994 and Equipment Schedule No. 1 and Equipment Schedule No. 2 between Baroid Drilling Fluids, Inc., as lessee (the "Lessee") and NorRail, Inc., as lessor (the "Lessor") (the "Lease") Notice of Assignment and Amendment

Dear Mr. Lipka:

We have sold to FBS Business Finance Corporation, Leasing Division ("Assignee") the Lease, all rentals and rights to payment of any kind thereunder and all of our rights in the leased Equipment and all rentals and proceeds therefrom.

Assignee will provide to Baroid Drilling Fluids, Inc. ("Lessee") on a monthly basis, invoices covering rentals under the above Lease as follows:

Equipment Schedule No. 1:

Sixty (60) consecutive monthly installments of \$15,600.00 each commencing with the first installment on Oct 1st, 19 94, plus any taxes due thereon (plus any other charges, such as, insurance.)

Equipment Schedule No. 2:

Sixty (60) consecutive monthly installments of \$800.00 each commencing with the first installment on Oct 1st, 19 94, plus any taxes due thereon (plus any other charges, such as, insurance.)

Invoices, commencing with the rental due on Oct 1st, 19 94, will provide that payment be made directly to Assignee. Payments to Assignee relieve the Lessee of the obligation to make such payments to Lessor. Payments to the Lessor will not relieve you of liability under the Lease. Payments must be made directly to the Assignee unless and until the Assignee notifies you in writing to direct such payments elsewhere. Notwithstanding the foregoing, failure by Assignee to provide any invoice shall not relieve Lessee of obligation to make a scheduled payment under the Lease.

Please sign and return the original and a copy of this letter confirming that Lessee will make the rental payments as outlined in this letter; that the Lease is in full force and effect; that all rental payments have been made to date by Lessee and that Lessee will continue to pay the rentals; that there are no liens or judgments, suits or proceedings, pending or threatened, against Lessee which would adversely affect its ability to make payments under the Lease; that no approval, consent or withholding of objection is required from any governmental authority with respect to the performance by Lessee under the Lease; that the rental payments to be made to Assignee, are not subject to any defense, setoff or counterclaims including recoupment against or other diminution of any amount payable to Assignee; that Assignee as our assignee, shall enjoy all of Lessor's rights and privileges under the Lease; that no defaults exist on the part of the Lessee in the performance of its obligations under said Lease; that Lessor is fully performing at the present time all the matters it has obligated itself to perform as provided in the Lease and, that Lessee has not made, with respect to Lessor nor shall have the right to make with respect to Assignee, any claims, offsets, demands or defenses of any kind, nature or description with reference to any of Lessor's obligations under the Lease.

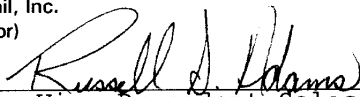
In addition by signing and returning a copy of this letter to us, you hereby agree to amend the Lease as follows:

1. The fifth sentence of Section 10(c) of the Lease is amended and restated to read as follows: "In addition, neither Lessor nor any assignee shall be responsible for any other direct, indirect, special or consequential loss or damage resulting from the delivery, operation or use of the Equipment or otherwise (including strict liability in tort), except that the original Lessor (NorRail, Inc.), but not any Assignee, shall be liable for any loss or damage due to the original Lessor's gross negligence or willful misconduct.
2. Section 4 of Exhibit A to Equipment Schedule No. 2 to the Lease is amended and restated to read as follows: Upon expiration of the lease term set forth herein and payment by Lessee of all rentals set forth herein, and provided that no Event of Default (as defined in the Master Lease Agreement) shall have occurred and be continuing, Lessee may purchase all but not less than all of the Equipment for a purchase price equal to its then Fair Market Value not to exceed \$6,000 per unit plus all taxes and other charges due on the sale. For purposes of this provision, "fair market value" shall be deemed an amount equal to the sale price obtainable in an arms length transaction between a willing and informed buyer (other than a buyer currently in possession), and a willing and informed seller under no compulsion to sell. In the event Lessee desires to exercise this option, it must give Lessor written notice of such intention at least ninety (90) days prior to the expiration of the lease term set forth herein.

Finally by signing and returning a copy of this letter you hereby confirm that: (i) except as may be expressly set forth in this letter, the Lease constitutes that full and complete agreement between Lessor and Lessee concerning the use and rental of the Equipment described therein and that such Lease is for the number of months set forth above and is subject to termination only as may be provided therein; and (ii) all of the obligations of the Lessor as set forth in Sections 5 - 14 of the Exhibit A to Equipment Schedule No. 2 to the Lease have been fully performed by Lessor prior to receipt of this Notice of Assignment and in no event shall Assignee have any liability or responsibility arising out of such obligations.

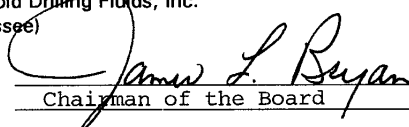
Sincerely yours,

NorRail, Inc.
(Lessor)

By: 
Its: Vice President-Sales

Acknowledged by:

Baroid Drilling Fluids, Inc.
(Lessee)

By: 
Its: Chairman of the Board



Payment for the Assignee should be directed to:

FBS Business Finance Corporation
SDS 12-0499
Minneapolis, MN 55486

NorRail, Inc.

308 12th Avenue South
Buffalo, Minnesota 55313

EQUIPMENT SCHEDULE NO. 1 TO
MASTER LEASE AGREEMENT NO. 1566 DATED April 1, 1994 ("LEASE")

BETWEEN NorRail, Inc. ("NorRail")

AND Baroid Drilling Fluids, Inc. ("LESSEE")

1. EQUIPMENT:

<u>Mfr.</u>	<u>Qty.</u>	<u>Type/Model</u>	<u>Ident. No.</u>	<u>Description</u>	Monthly Rental Per Item * <u>See</u> <u>of Equip. Note</u>
GATX	24	Pres. Diff.	See Attached	2800 Cu. Ft.	\$400.00/Car
UTC	15	Pres. Diff.	See Attached	2800 Cu. Ft.	\$400.00/Car

Of the 15 UTC cars, 3 are currently under Lease and 12 cars are being added to the Lease. Baroid Drilling Fluids, Inc. will have 60 days from the date of execution of this Equipment Schedule to add up to 8 UTC cars of like design and capability under a separate Equipment Schedule at a monthly rate of \$341.25 per car on a 60 month Lease Term.

Total Monthly Rental \$ 15,600.00

*NOTE:

Lessee agrees that the above described equipment may be amended by NorRail to the extent that NorRail may insert the serial numbers and/or other identifying data of the Equipment. Lessee agrees the Monthly Rental per Item, and the Total Monthly Rental, will be increased to allow NorRail to recoup costs for modification, repair, cleaning and other items described in paragraphs 5, 6, 7, or 8 of Exhibit A to this Equipment Schedule to the extent such costs exceed the allowances in those paragraphs.

2. EQUIPMENT LOCATION:

3. PROJECTED DELIVERY DATE: 2nd Quarter, 1994.

4. DELIVERY DATE: _____, 19____. If this space is not completed, the Delivery Date of each Item of Equipment shall be:

- a. in the case of an Item of Equipment which is the subject of a sale and leaseback between NorRail and Lessee, the date upon which NorRail purchases such Item of Equipment from Lessee; or

- b. in the case of an Item of Equipment which is currently delivered to the Equipment Location, but where NorRail is obtaining title directly from the manufacturer or supplier, the date upon which NorRail purchases such Item of Equipment from the manufacturer or supplier; or
- c. in the case of an Item of Equipment requiring delivery, the date of inspection and acceptance by Lessee of such Item of Equipment at the Equipment Location. Such acceptance, which is not to be unreasonably withheld, is to be in the form of a Certificate of Delivery and Acceptance signed by Lessee.
5. **COMMENCEMENT DATE:** As set forth in Section 2(b) of the Lease; provided, however, if Lessee fails to timely and properly deliver, within fourteen days of Lessee's execution of this Equipment Schedule, any documents requested by NorRail pursuant to the Lease, NorRail, in its discretion and notwithstanding anything to the contrary contained in Section 2(b) of the Lease, may postpone the commencement of the Initial Term. NorRail shall give Lessee prompt written notice of any such postponement.
6. **INITIAL TERM:** 60 months.
7. **ADVANCED RENTALS:** 1 monthly rental(s) of \$ 15,600.00 each totaling \$ 15,600.00 shall be delivered to NorRail at time of signing of this Lease. Such advanced rentals shall be applied to the First month(s) of the Initial Term.
8. **MONTHLY RENTAL:** \$ 15,600.00. The Monthly Rental for all Items of Equipment set forth in Section 1 hereof.
9. **LEASE AGREEMENT:** All of the terms, covenants and conditions set forth in the Lease are incorporated herein by reference as if the same had been set forth herein in full. By their execution and delivery of this Equipment Schedule, the parties hereby reaffirm all of the terms and conditions of the Lease (including, without limitation, the representations and warranties of Lessee set forth in Section 12 thereof) except as modified hereby.
10. **EXHIBITS:** Exhibits A and B to this Equipment Schedule are an integral part hereof.

NORRAIL:

NorRail, Inc.

By: Russell S. Adams

Print Name: Russell S. Adams

Title: Vice President Sales

Date: April 21, 1994

LESSEE:

Baroid Drilling Fluids, Inc.

By: Robert J. Menzrey

Print Name: Robert J. Menzrey

Title: President

Date: May 5, 1994



IDENTIFICATION NUMBERS

CAR	MARKS	CAR	MARKS
1	BDNX 300	22	BDNX 326
2	BDNX 301	23	UTLX 80243
3	BDNX 302	24	UTLX 80246
4	BDNX 303	25	BDNX 1001
5	BDNX 304	26	BDNX 1002
6	BDNX 305	27	BDNX 1004
7	BDNX 306	28	BDNX 1005
8	BDNX 307	29	BDNX 1007
9	BDNX 308	30	BDNX 1008
10	BDNX 309	31	BDNX 1009
11	BDNX 312	32	BDNX 1010
12	BDNX 313	33	BDNX 1012
13	BDNX 314	34	BDNX 1015
14	BDNX 315	35	BDNX 1016
15	BDNX 318	36	BDNX 1018
16	BDNX 319	37	BDNX 1020
17	BDNX 320	38	BDNX 1022
18	BDNX 321	39	BDNX 1026
19	BDNX 323		
20	BDNX 324		
21	BDNX 325		

NorRail's Acknowledgement

STATE OF MINNESOTA)

) ss.

COUNTY OF WRIGHT)

On this 26th day of APRIL, 1994, before me, personally appeared Russell S. Hoams (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the Vice President Sales (title of office) of NorRail, Inc., a Minnesota corporation, that the seal affixed to the foregoing Equipment Schedule is the corporate seal of said corporation (or if no seal is affixed, that the corporation has no seal), that said Equipment Schedule was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that (s)he acknowledged that the execution of the foregoing Equipment Schedule was the free act and deed of said corporation.

Joann M. Pelinka

Notary Public

Expires: 1/31/2000

My Commission

[Notary Public's seal]



Lessee's Acknowledgement

STATE OF TEXAS)

) ss.

COUNTY OF HARRIS)

On this 5th day of May, 1994, before me, personally appeared Robert J. Menerey (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the President (title of office) of Baroid Drilling Fluids, Inc. (name of corporation), a Delaware corporation, that the seal affixed to the foregoing Equipment Schedule is the corporate seal of said corporation (or if no seal is affixed, that the corporation has no seal), that said Equipment Schedule was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that (s)he acknowledged that the execution of the foregoing Equipment Schedule was the free act and deed of said corporation.

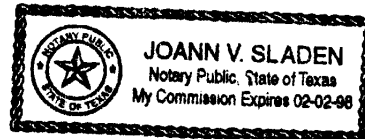
Joann V. Sladen

Notary Public

Expires: 2/2/98

My Commission

[Notary Public's seal]



NorRail, Inc.,
308 12th Avenue South
Buffalo, Minnesota 55313

**EQUIPMENT SCHEDULE NO. 2 TO
MASTER LEASE AGREEMENT NO. 1566 DATED April 1, 1994 ("LEASE")
BETWEEN NorRail, Inc. ("NorRail")
AND Baroid Drilling Fluids, Inc. ("LESSEE")**

1. EQUIPMENT:

<u>Mfr.</u>	<u>Qty.</u>	<u>Type/Model</u>	<u>Ident. No.</u>	<u>Description</u>	<u>Monthly Rental Per Item of Equip.</u>
U.T.C.	2	Pressure Differential	BDNX386 BDNX388	3800 Cu. Ft.	\$400.00

Total Monthly Rental \$ 800.00

NOTE: Lessee agrees that the above described equipment may be amended by NorRail to the extent that NorRail may insert the serial numbers and/or other identifying data of the Equipment.

2. EQUIPMENT LOCATION:

3. PROJECTED DELIVERY DATE: 3rd Quarter, 1994.

4. DELIVERY DATE: _____, 19__. If this space is not completed, the Delivery Date of each Item of Equipment shall be:

- a. in the case of an Item of Equipment which is the subject of a sale and leaseback between NorRail and Lessee, the date upon which NorRail purchases such Item of Equipment from Lessee; or

- b. in the case of an Item of Equipment which is currently delivered to the Equipment Location, but where NorRail is obtaining title directly from the manufacturer or supplier, the date upon which NorRail purchases such Item of Equipment from the manufacturer or supplier; or
- c. in the case of an Item of Equipment requiring delivery, the date of inspection and acceptance by Lessee of such Item of Equipment at the Equipment Location. Such acceptance, which is not to be unreasonably withheld, is to be in the form of a certificate of Delivery and Acceptance signed by Lessee.
5. **COMMENCEMENT DATE:** As set forth in section 2(b) of the Lease; provided, however, if Lessee fails to timely and properly deliver, within fourteen days of Lessee's execution of this Equipment Schedule, any documents requested by NorRail pursuant to the Lease, NorRail, in its discretion and notwithstanding anything to the contrary contained in Section 2(b) of the Lease, may postpone the commencement of the Initial Term. NorRail shall *give* Lessee prompt written notice of any such postponement.
6. **INITIAL TERM:** 60 months.
7. **ADVANCED RENTALS:** 1 monthly rental of \$800.00 each totaling \$800.00 shall be delivered to NorRail at time of signing of this Lease. Such advanced rentals shall be applied to the first month of the Initial Term.
8. **MONTHLY RENTAL:** \$800.00. The Monthly Rental for all Items of Equipment set forth in Section 1 hereof.
9. **LEASE AGREEMENT:** All of the terms, covenants and conditions set forth in the Lease are incorporated herein by reference as if the same had been set forth herein in full. By their execution and delivery of this Equipment Schedule, the parties hereby reaffirm all of the terms and conditions of the Lease (including, without limitation, the representations and warranties of Lessee set forth in Section 12 thereof) except as modified hereby.

NORRAIL:

NorRail, Inc.

By: Russell S. Hoams

Print Name: RUSSELL S. HOAMS

Title: VICE PRESIDENT SALES

Date: SEPTEMBER 26, 1994

LESSEE:

Baroid Drilling Fluids, Inc.

By: R. J. Menerey

Print Name: R. J. Menerey

Title: President, Baroid Drilling Fluids

Date: 9/30/94

NorRail's Acknowledgement

STATE OF Minnesota)
COUNTY OF WRIGHT) ss.

On this 26th day of SEPTEMBER, 1994, before me, personally appeared RUSSELL S. ADAMS (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the Vice President Sales (title of office) of NorRail, Inc., a Minnesota corporation, that the seal affixed to the foregoing Equipment Schedule is the corporate seal of said corporation (or if no seal is affixed, that the corporation has no seal), that said Equipment Schedule was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that (s)he acknowledged that the execution of the foregoing Equipment Schedule was the free act and deed of said corporation.



Joann M. Pelinka
Notary Public
My Commission Expires: 1/31/2000

[Notary Public's seal]

Lessee's Acknowledgement

STATE OF Texas)
COUNTY OF Harris) ss.

On this 14th day of October, 1994, before me, personally appeared P. J. Newberry (name of signor), to me personally known, who being by me duly sworn, says that (s)he is the President (title of office) of Baroid Drilling Fluids, Inc. (name of corporation), a Delaware corporation, that the seal affixed to the foregoing Equipment Schedule is the corporate seal of said corporation (or if no seal is affixed, that the corporation has no seal), that said Equipment Schedule was signed and sealed on behalf of said corporation by authority of its Board of Directors, and that (s)he acknowledged that the execution of the foregoing Equipment Schedule was the free act and deed of said corporation.

Randall Matalone
Notary Public
My Commission Expires: 9/21/95

[Notary Public's seal]

STATE OF MINNESOTA)
) ss.
COUNTY OF WRIGHT)

AFFIDAVIT

Russell S.Adams, being first duly sworn, on oath states the following:

1. He is Vice President - Sales of NorRail, Inc., a Minnesota corporation ("NorRail"), in that capacity has personal knowledge of the statements made in this Affidavit, and he makes this Affidavit on behalf of NorRail.
2. NorRail acquired the railcars identified on Exhibit A which is attached to and by this reference made a part of this Affidavit.
3. As of the time of NorRail's acquisition of those railcars, their marks were as stated in the column on Exhibit A entitled "Prior Car Numbers."
4. NorRail and each company from which NorRail acquired cars identified on Exhibit A jointly reported to the Associated of American Railroads, Operations and Maintenance Department both the fact of NorRail's purchase of the equipment identified on Exhibit A as that equipment had been re-numbered to have the new Unit Marks and Numbers identified with respect to each railcar on Exhibit A in the column entitled "New Car Numbers."
5. NorRail has since leased the railcars identified on Exhibit A to Baroid Drilling Fluids, Inc., by Master Lease Agreement dated April 1, 1994 (which Lease had subsequently been assigned by NorRail to FBS Business Finance Corporation, a Delaware corporation), and NorRail has sold the railcars identified on Exhibit A to FBS Business Finance Corporation.

Further your affiant saith not.

Dated: OCT. 25, 1994.

Subscribed and sworn to before me
this 25th day of OCTOBER, 1994.

Joann M. Pelinka
Notary Public

Russell S. Adams
Russell S. Adams

STATE OF MINNESOTA)
) ss.
COUNTY OF WRIGHT)



On this 25th day of OCTOBER, 1994, before me personally appeared Russell S.Adams, to me personally known, who being by me duly sworn, says that he is the Vice President - Sales of NorRail, Inc., a Minnesota corporation, and that the foregoing instrument was signed on behalf of NorRail, Inc. by authority of its Board of Directors and he acknowledged that the execution of the foregoing instrument was the free act and deed of NorRail, Inc.

Joann M. Pelinka
Notary Public

EXHIBIT A TO OCTOBER 25, 1996 AFFIDAVIT OF RUSSELL S. ADAMS

PRIOR CAR NUMBERS	NEW CAR NUMBERS
WSSX1001	BDNX1001
WSSX1002	BDNX1002
WSSX1005	BDNX1005
WSSX1007	BDNX1007
WSSX1008	BDNX1008
WSSX1010	BDNX1010
WSSX1012	BDNX1012
WSSX1016	BDNX1016
WSSX1022	BDNX1022
WSSX1026	BDNX1026

PRIOR CAR NUMBERS	NEW CAR NUMBERS
UTLX80243	UTLX80243
UTLX80246	UTLX80246
UTLX80386	BDNX386
UTLX80388	BDNX388

PRIOR CAR NUMBERS	NEW CAR NUMBERS
BN495022	BDNX300
BN495002	BDNX301
BN495032	BDNX302
BN495040	BDNX303
BN495037	BDNX304
BN495015	BDNX305
BN495004	BDNX306
BN495034	BDNX307
BN495030	BDNX308
BN495036	BDNX309
BN495016	BDNX310 <i>MO</i>
BN495003	BDNX311 <i>MO</i>
BN495041	BDNX312
BN495021	BDNX313
BN495005	BDNX314
BN495006	BDNX315
BN495028	BDNX316 <i>MO</i>
BN495014	BDNX317 <i>MO</i>
BN495019	BDNX318
BN495029	BDNX319

PRIOR CAR NUMBERS	NEW CAR NUMBERS
WSSX1004	BDNX1004
WSSX1009	BDNX1009
WSSX1015	BDNX1015
WSSX1018	BDNX1018
WSSX1020	BDNX1020

PRIOR CAR NUMBERS	NEW CAR NUMBERS
BN 495000	BDNX320
BN 495011	BDNX321

PRIOR CAR NUMBERS	NEW CAR NUMBERS
PPGX 12921	BDNX323
PPGX 12926	BDNX324
PPGX 12952	BDNX325
PPGX 12968	BDNX326